

## **Minutes of the Finance Committee**

**Wednesday, October 5, 2005**

Chair Haukohl called the meeting to order at 8:46 a.m.

**Present:** Supervisor Pat Haukohl (Chair), Bonnie Morris, Don Broesch, Joe Marchese, and Ken Herro. Jim Behrend arrived at 8:50 a.m. and Genia Bruce at 9:08 a.m.

**Also Present:** Legislative Policy Advisor Mark Mader, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Administration Director Norm Cummings, Principal Financial Projects Analyst Bob Ries, Accounting Services Manager Larry Dahl, Collections & Business Services Manager Sean Sander, Senior Financial Analyst Linda Hein, Information Systems Manager Mike Biagioli, Risk Management Administrator Laura Stauffer, Treasurer Pam Reeves, Criminal Justice Collaborating Council Coordinator Michelle Cyrulik, Senior Financial Analyst Andy Thelke, Federated Library Director Tom Hennen, and Business Manager Bob Snow. Recorded by Mary Pedersen, County Board Office.

### **Approve Minutes of September 7, 2005**

MOTION: Broesch moved, second by Marchese to approve the minutes of 9-7-05. Motion carried 4-0. Herro was absent for the vote.

### **Chair's Executive Committee Report of 9-12 and 9-15-05**

Haukohl advised of the following items discussed at the last two Executive Committee meetings.

- Reviewed capital projects.
- Reviewed senate bills on library standards funding.
- Discussed the delay of Phase II of the jail project, dividing Highway "L" into two projects, and the Radio Services building remodeling project which will be placed on the capital projects tour.

Behrend arrived at 8:50 a.m.

### **Schedule Next Meeting Dates**

October 11 (public hearing) at 6:00 p.m. and October 12 (all day).

### **Announcements**

Marchese said he toured the recycling center and someone informed him that the money the County decided to use to pay for other expenses, recently approved via ordinance, will be needed to cover the cost of new equipment at the center.

### **Meeting Approvals**

MOTION: Marchese moved, second by Morris to approve expenses for any committee members wanting to attend the County Executive's luncheon on October 21<sup>st</sup>. Motion carried 6-0.

### **Review Five-Year Budget Projections and 2006 Cost to Continue**

Staff gave a PowerPoint presentation on this issue. Swartz said their financial plan goals include: 1) high level financial forecast, 2) long range impacts of policy decisions, 3) corrective actions to maintain fiscal health, and 4) maintain quality core essential services. The forecast information is consistent with the Comprehensive Annual Financial Report (CAFR) and adopted budget data. It follows Waukesha County's financial structure, it considers impacts of County planning processes, it emphasizes personnel costs, it modifies adopted capital and debt service plans, and it's updated annually. Swartz went on to review general forecast assumptions including: 1) property tax base value growth of 7% annually, 2) continue existing services, programs, and personnel levels, 3) major capital project plan implementation, 4) property tax levy growth limited-"freeze" proposals, and 5) capital and debt service plans reflect a \$2 million borrowing reduction.

Bruce arrived at 9:08 a.m.

Swartz went on to review forecast assumptions for expenditure appropriations for 2006 through 2010. Expenditure increases, for the years 2006 through 2010 from the 2005 adopted budget, are estimated to be 0.2%, 2.6%, 3.7%, 3.7%, and 3.7%, respectively. Swartz advised that personnel costs dominate operating budgets in the forecast period. Primary drivers include health insurance, salaries, and retirement costs.

Estimated revenues include the following general assumptions: shared revenues (-5.0), intergovernmental (2%), fines / licenses (5%), charges for services (5%), interdepartmental (2.5%), and other revenues (3%). Swartz discussed increased and frozen or decreased major revenue sources including BAC, Youth Aids, state circuit court, prisoner revenues, transportation aids, and shared revenues for 2006 through 2010. Revenue increases / decreases, for the years 2006 through 2010 from the 2005 adopted budget, are estimated to be -3.9%, 0.7%, 1.9%, 2.5%, and 2.4%, respectively. The tax levy revenue increase is limited during this timeframe to be between 2.9% to 3.4%. Staff went on to discuss estimated funding gaps of \$3.4 million for 2006 and budget drivers for each functional area for 2006 through 2010.

### **2006 Budget Overview**

Witkowski and Swartz highlighted the 2006 County Executive Budget as it relates to the transmittal letter and the Summary, Strategic Planning and Budget Policies, and Statistics / Trends sections. Swartz indicated the general County tax levy for 2006 equals a \$9.57 or 1.9% increase to the average homeowner – a very small increase from 2005. The total tax levy for 2006 is \$90.5 million – almost a \$2.9 million increase from 2005.

He said total expenditures for 2006 are budgeted at \$251.6 million – a \$2.7 million or 1.08% reduction from 2005. Revenues are budgeted at \$150.4 million – a \$2.6 million or 1.7% reduction. The appropriated fund balance, mainly for one-time items, is budgeted at \$10.7 million – a reduction of about \$3 million.

Swartz said the General and Library (excluding debt service) section is in bold because this is what the freeze is based on. It shows a levy increase of \$2,051,516 or 2.67%. Swartz noted that the cap was set at 2.8%. Debt service is a separate figure because it's exempt under the law.

Debt Service for 2006 is budgeted at \$11,755,914 – an increase of \$819,663. Swartz referred to the levy limits and property tax freeze section on page 15.

There are a total of 1,549.47 full-time equivalent (FTE) positions budgeted for 2006 (includes temporary extra help and overtime) – an increase of 16.87. The position allocation for the Justice Expansion increased by 17.94 FTE between the Sheriff and Public Works departments, reflecting 2.88 FTE funded new positions created in 2006 and 15.06 FTE for positions created in the 2005 budget. Swartz discussed tax levy by functional area as outlined on page 20. He noted that Justice & Public Safety and Health & Human Services makes up 60% of the total tax levy budget. This compares to 52% back in 2001.

**Discuss and Consider 2006 Operating Budgets for the Following Departments:**

**a) Administration, b) Treasurer**

Cummings and staff reviewed the proposed 2006 operating budget for the Department of Administration as outlined in the budget book. Total all funds, expenditures increased 0.7% from the 2005 budget to \$10,151,044, revenues increased 2.1% to \$4,635,195, and the tax levy decreased 1.0% to \$5,420,849. The positions summary showed an overall decrease of 0.50 full-time equivalent (FTE) positions and includes a major reorganization of the Information Systems Division. Staff went on to review 2005 achievements and 2006 objectives.

Broesch left at 12:15 p.m.

MOTION: Bruce moved, second by Herro to tentatively approve the 2006 operating budget for the Department of Administration. Motion carried 6-0.

The committee recessed at 12:40 p.m. and reconvened at 1:37 p.m.

Reeves discussed the proposed 2006 operating budget for the Treasurer's Office as outlined in the budget book. Total expenditures increased to \$719,573 or 4.6% from the 2005 budget, revenues increased to \$7,702,213 or 5.0%, and the tax levy decreased to (\$6,982,640) or -5.0%. The positions summary showed a decrease of 0.08 FTE positions. Reeves went on to review 2005 achievements and 2006 objectives.

MOTION: Marchese moved, second by Behrend to tentatively approve the 2006 operating budget for the Treasurer's Office. Motion carried 7-0.

**Payment of Special Assessments and Tax Certificates Issued**

Reeves discussed this issue as outlined in her handouts entitled "History of Tax Certificates issued" which included information on tax year, number issued, and amount, and "Delinquent Special Assessments Paid to Municipalities." Regarding the number of tax certificates, Reeves said the dollar amount is the lowest we've seen in the last four years which is a positive. Also, the amount of delinquent special assessments paid to municipalities is lower than what they had been in past several years.

**Ordinance 160-O-055: Authorize the Department of Health and Human Services Criminal Justice Collaborating Council (CJCC) to Accept the Federal Department of Justice Fiscal Year 2005 Drug Court Discretionary Grant**

Cyrulik and Thelke were present to discuss this ordinance which involves accepting a \$450,000 Drug Court Grant, for a three-year period, from the Federal Department of Justice to develop a substance abuse treatment court. Cyrulik advised our local match (25%) is all in-kind. Thelke said the only tax levy involved would be Cyrulik's time for supervising the program, a relatively small portion, and some circuit court staff time. Most of the match comes from time spent by the prosecutors and the judges (who are state employees). Cyrulik said there's no guarantee funds will be available after three years but they're hopeful.

Cyrulik advised that the program would target third offense drunk drivers who are Waukesha County residents, over the age of 18, without a violent criminal history or a pending criminal case. Cyrulik went on to explain the program in detail. Haukohl was glad to hear that the County would have a way out if, in the future, the program is deemed ineffective.

MOTION: Marchese moved, second by Broesch to approve ordinance 160-O-055. Motion carried 7-0.

**Contract Procurement Process for Consulting Services for the Library Governance Options Study**

Hennen advised the contract was awarded to Himmel & Wilson, the highest rated proposer, for a total contract cost of \$46,791. The budgeted amount was \$50,000. A total of five vendors had submitted RFP's for consideration.

MOTION: Broesch moved, second by Bruce to approve the contract procurement process for consulting services for the Library Governance Options Study. Motion carried 7-0.

**Fund Transfer 2005-153-1: Circuit Court Services – Transfer Funds from Personnel Expenses to Operating Expenses**

Snow was present to discuss this issue. The fund transfer involves transferring \$8,500, due to savings through an unfunded position, to purchase a digital court-recording unit to replace an existing 8-year-old tape recording device. Funds will also be used to purchase a used / remanufactured envelope folder and inserter to replace a unit which is also 6 to 8 years old and is no longer mechanically sound or worth repairing. Haukohl asked if there will be sufficient staff to cover operations due to this position not being filled whereby Snow said absolutely. Snow added that the 2006 budget book states that this position will remain unfilled.

MOTION: Herro moved, second by Behrend to approve fund transfer 2005-153-1. Motion carried 7-0.

**Report on the WCA (Wisconsin Counties Association) Conference**

Morris said she attended an interesting seminar by Sheboygan County who had conducted a study and ranking of all of their 217 programs. It was an enormous undertaking but they came up with valuable information with regards to budgeting and where they can and can't cut. She

recommends that Waukesha County conduct a similar study. The committee was comprised of County employees, department heads, and elected officials with some public participation.

Behrend commented on seminars he attended on finance and information systems. The presenter on finance talked about budgeting for capital projects two and three years out whereby he noted that Waukesha County projects even beyond that time. The presenter on information systems was very interesting and had said five years from now there will be no computers and everything will be in devices. Her warning was to not overcommit in the capital area. Mader also praised the presenter who said there have been so many rapid advances in information technology that prices will go down on hardware, but not necessarily software.

Haukohl said she attended various seminars on the importance of planning including water shortage issues, conservation practices, and comprehensive land use planning. Parks & Land Use Director Dale Shaver gave an excellent presentation on what we're doing here in Waukesha County with regards to the latter. There was also a very interesting roundtable discussion on Smart Growth and some good discussions on land use and conservation with regards to what we're doing in Waukesha County and what others are doing around the state. Haukohl said the Southeast Land and Water Resource Conservation tour on September 22nd was also excellent, part of which focused on stormwater retention and groundwater recharge at the Roundy's building and Pabst Farms in Oconomowoc.

#### **Future Agenda Items**

- Discuss Website E-Payment Vendors and Security Issues (Haukohl)

MOTION: Morris moved, second by Broesch to adjourn at 3:21 p.m. Motion carried 7-0.

Respectfully submitted,

Bonnie J. Morris  
Secretary